

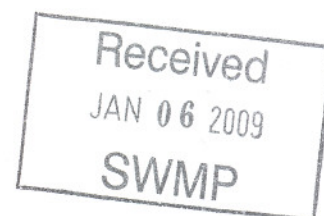
SWMP

**CASEY AND COMPANY, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**COLUMBIA, MISSOURI**

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT  
REGION K**

**TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES .....	1 - 5
SUMMARY OF FINDINGS AND QUESTIONED COSTS .....	6 - 11
FOLLOW- UP ON PRIOR FINDINGS:	
Prior Performance Review .....	12 - 14
Prior Agreed-Upon Procedures .....	14 - 16
Prior Financial Audit .....	16
APPENDICES:	
I History and Organization .....	18 - 19
II Schedule of State Funding, Years Ended June 30, 2007 and June 30, 2006 .....	20 - 21
III Composition of Cash Balance, June 30, 2007 .....	22



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES**

# CASEY AND COMPANY OF COLUMBIA, L.L.C.



A Certified Public Accounting and Consulting Firm

One Broadway Building  
1 East Broadway  
Columbia, MO 65203-4205  
573 / 442 - 8427  
FAX / 875 - 7876  
www.caseycpas.com

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

Missouri Department of Natural Resources  
Jefferson City, Missouri  
and

Ozark Rivers Solid Waste Management District- Region K  
St. James, Missouri

Received

JAN 06 2009

SWMP

We have performed the procedures enumerated below, which were agreed to by the Missouri Department of Natural Resources (the "Department" or "MDNR"), solely to assist you in evaluating the effectiveness of the Ozark Rivers Solid Waste Management District - Region K's (the "District") compliance with state law, regulations, and policies for the period July 1, 2005 through June 30, 2007. Management is responsible for the District's internal control over compliance with these requirements and the accompanying appendices.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the District's solid waste management program and any fraud or illegal acts that are more than inconsequential that come to our attention. We are also required to obtain the views of management on those matters. Our agreed-upon procedures engagement disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of management, are described in the accompanying Summary of Findings and Questioned Costs.

Our procedures, as set forth in the MDNR Solid Waste Management District Agreed-Upon Procedures Engagement, and findings are as follows:

### 1. History and Organization

We reviewed the history and organization of the District for compliance with the Revised Statutes of Missouri (RSMo). This included a review of the:

MEMBER  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
•



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES (CONTINUED)**

---

- District organization and formation;
- Executive Board and District Council structure, terms and functions, including if the District was organized under an alternative management structure;
- Policies and procedures for monitoring members of the Executive Board and District Council; and
- District by-laws.

Findings: None (See Appendix 1)

**2. Minutes of Meetings**

We reviewed minutes of meetings for the Executive Board and District Council for the engagement period and completed Attachment 1 "The Missouri Sunshine Law Compliance Checklist" to determine if meetings are documented as required. We reviewed whether the District had a written policy in accordance with Chapter 610 RSMo regarding the release of information on any meeting, record, or vote as required by state law. We also reviewed whether Executive Board members abstained from voting in the board meeting minutes on approval of grant projects when a potential conflict of interest situation existed.

Findings: See Finding Numbers 1 and 2

**3. Follow-up to Prior Audits**

We determined what actions the District has taken to correct the findings, including the status and corrective action on the prior financial audit, special review by the MDNR Solid Waste Management Program, and the prior agreed-upon procedures engagement.

Findings: See Follow-Up on Prior Findings

**4. Internal Controls**

We reviewed the District's internal controls and completed Attachment 2 "Internal Control Questionnaire", which identifies strengths and weaknesses of the internal controls.

Findings: None

**5. Cash**

We obtained a listing of all bank account names and numbers of the District and performed the following procedures:

- Verified the bank reconciliation process;
- Confirmed with the MDNR advanced funds for deposit (See Appendix II);
- Evaluated control, custody and signing of checks;
- Reviewed for any local funds;
- Reconciled year-end cash balances by type, state, local, etc., to amounts reported to the MDNR (See Appendix III);
- Reviewed and analyzed the allocation and use of interest income and program income; and
- Reviewed the District's cash management practices.

Findings: See Finding Number 3

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES (CONTINUED)**

---

**6. Administrative/Management Services**

We reviewed and determined that the District contracts with the Meramec Regional Planning Commission for its administrative/management services, and:

- Determined that contract terms are written and properly approved;
- Reviewed the contract for propriety and reasonableness; and
- Reviewed invoices and supporting documentation to determine that payments for services are appropriate, properly approved, and in compliance with the contract terms.

Findings: None

**7. General and Special Terms and Conditions**

We reviewed and documented the District's compliance with the general and special terms and conditions of the financial assistance agreement with the MDNR for the following requirements:

- Non-Discrimination;
- Environmental laws and eligibility;
- Hatch Act and restrictions on lobbying;
- Program income;
- Equipment management;
- Prior approval for publications;
- Audit requirements;
- Recycled paper; and
- Contracting with small and minority firms.

Findings: See Finding Number 4

**8. District Grants**

We obtained a schedule of District grants from the MDNR and reviewed the Guidance Document for Solid Waste Management District Grants. We also completed Attachment 3 "Detailed Review of District Grant Projects" for each awarded project selected for review. This included the review, evaluation and testing for the:

1. Proposal procurement process;
2. Proposal review and evaluation process; and,
3. Grant projects selected as follows:
  - K2006-01, Crawford County Board for People with Developmental Disabilities/Resource Recovery Workshop, Bobcat Purchase;
  - K2006-04, Phelps County, Tough on Trash Initiative;
  - K2006-08, Region K, Addressing Illegal Dumping from a Watershed Approach;
  - K2006-09, Region K, Electronic Waste Collection;
  - K2006-10, Region K, Illegal Dump Surveillance Camera Program;
  - K2006-14, Region K, District Operation;
  - K2006-15, Region K, District Operation/Administration Supplement;
  - K2007-01, Region K, District Operations;
  - K2007-05, Region K, Education Enhancement Project;
  - K2007-06, Region K, Special Waste Collections;
  - K2007-07, Region K, County Illegal Dump and Tire Collections;

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES (CONTINUED)

---

8. District Grants (continued)

- K2007-08, Region K, HHW Collections;
- K2007-11, Region K, School Lab Clean Up Program;
- K2007-12, Region K, Illegal Dump Clean Up Program;
- K2007-13, City of Cuba, Recycling Center Construction;
- K2007-14, Rolla High School, Talkin' Trash IV Recycling Program; and
- K2007-16, Resources Recovery Services (Sheltered Workshop), Baler Purchase.

Findings: See Finding Numbers 5 and 6

We were not engaged to and did not conduct an examination or review of the subject matter, the objectives of which would be the expression of an opinion or limited assurance on the subject matter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Missouri Department of Natural Resources and the Ozark Rivers Solid Waste Management District – Region K and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Casey and Company, LLC*

Casey and Company, LLC  
Certified Public Accountants  
Columbia, Missouri

September 16, 2008

## **SUMMARY OF FINDINGS AND QUESTIONED COSTS**



**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

---

1. Executive Board/Council Meeting Minutes Incomplete and No Sunshine Law Policy

Condition: All Executive Board/Council meeting minutes did not give the place where the meeting was held and did not include the list of members absent. The District could not locate the official signed minutes for two Executive Board (September 2006 and March 2007) and two District Council (June 2006 and November 2006) meetings. In addition, the District does not have a written policy in compliance with the open meetings and records law as required by RSMo, Chapter 610.

Criteria: RSMo, Chapter 610 (commonly referred to as the Missouri Sunshine Law) and RSMo Section 610.020.7, require the meeting minutes to include the place where the meeting was held, the members that are absent, and official minutes be retained of board meetings. RSMo, Section 610.028.2 requires the District to adopt a written policy in compliance with the open meetings and records law pertaining to the release of information on any meeting, record, or vote.

Cause: The District was unaware of the criteria requirements and did not ensure that all official board meeting minutes were properly retained.

Effect: The District did not fully comply with the Sunshine Law.

Recommendation:

We recommend that the District include in its minutes the place where the meeting was held and a list of the members that are absent from the meeting. We recommend that the District retain all official signed meeting minutes. We also recommend the District adopt a written policy in compliance with the open meetings and records law as required by state law.

*District Response:*

*The District concurs and effective September 2008, the District minutes will include the location of the meeting as well as list the members absent. The District concurs and signed original meeting minutes for the dates in question were located following the audit. Staff has put additional procedures in place to ensure that minutes that are mailed out for signatures are adequately tracked, returned to the office and filed in a timely manner. The District concurs and has established written policies for open meetings and records law as required by RSMo Section 610.028.2. A resolution to that effect was reviewed and approved at the October 14, 2008 meeting of the Executive Board.*

2. Possible Conflict of Interest on Approving Grants

Condition: A potential conflict of interest situation resulted when meeting minutes reflected a unanimous vote approving the District grant awards for fiscal years 2007 and 2006. The board meeting minutes for September 2006 and October 2005 noted that the vote was passed unanimously including Executive Board members with a potential conflict of interest. The individuals did abstain from evaluating grants where a potential conflict of interest existed.

Criteria: State Rule 10 CSR 80-9.050(1)(C)4 states "District grant funds will not be awarded for a project whose applicant is directly involved in the evaluation and ranking of that particular project". The Executive Board meeting minutes should

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

---

indicate abstentions for those Executive Board members that abstained from evaluating and ranking District grant projects.

**Cause:** The District did not realize that the Executive Board meeting minutes needed to reflect the abstention of the members. The District did not have a policy in place to ensure that members with a potential or real conflict of interest abstain from voting on grant projects where such a conflict exists and that the meeting minutes reflect the abstention.

**Effect:** This resulted in a possible conflict of interest situation and noncompliance with state regulations.

**Recommendation:** We recommend that the District ensure that the board members abstain from voting on the approval of projects where there is a potential conflict of interest. The board minutes must reflect such abstention.

**Response:** *The Executive Board discussed this issue at the September 2008 meeting and followed this policy in reviewing district grants at that time. The District has established written policies that require members to abstain from voting on all issues, including final approval of award, on grants where they have a conflict of interest. These policies were reviewed and approved at the October 2008 Executive Board meeting.*

**3. District's Quarterly Project Financial Summary Forms Not Properly Prepared**

**Condition:** The quarterly reports for the periods ended June 30, 2007 and June 30, 2006, did not properly reconcile to the total cash balance held by the District at fiscal year end. A reconciliation of the total project awards received, disbursed, and ending balances was prepared for both fiscal years and the reconciliation as of June 30, 2007 is included at Appendix III. The quarterly reports submitted to the MDNR did not include the balance in the operating bank account and the report for the period ending June 30, 2007 included accounts payable in the expenditures thereby lowering the reported cash balance to not agree to the actual reconciled cash balance. In addition, the balance in the operating bank account has not been identified as to the source of funding.

**Criteria:** Section I.E.1. of the General Terms and Conditions requires that accurate, current, and complete disclosure of financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the subgrant.

**Cause:** The District neglected to properly include the monies remaining in the operating bank account at fiscal year end and to exclude accounts payable in expenditures or to show the proper reconciliation between the cash balance presented and the actual reconciled cash balance.

**Effect:** The District is not properly showing the total cash balance held in all of its bank accounts on its quarterly reports.



**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

---

**Recommendation:**

We recommend that the District properly prepare its quarterly financial reports by including the balance in the operating bank account and to show the expenses incurred but not yet disbursed to allow for proper reconciliation with the actual cash balance held by the District.

**District Response:**

*The District concurs and all reporting henceforth will include the operating bank balance as part of total cash. This is a separate bank account from the district tonnage fee grant account set up as a result of previous years District Administration Grant (DAG) awards. Additionally, previous reports reflected the District's accrual basis of accounting and did not tie to cash at the end of the period. In the future, the District will modify the form to reflect expenses incurred not yet disbursed to tie to cash. Additionally, a copy of the bank statement and reconciliation form will be submitted with future reports. The District ensures that future reports will accurately reflect the actual status of each project and all cash will be disclosed. The District is unable to distinguish the funds in the account from an origin basis and will assume that the remaining dollars are a result of prior DAG awards or interest earned on those funds. As a result of this reclassification, the dollars will be considered part of reserve and the \$20,000 maximum CSR rule will apply. These funds as newly reclassified will be allocated in the next grant cycle which will take place in FY2009-2010.*

**4. District and Subgrantee Equipment Inventory List Incomplete**

**Condition:** The inventory listing of equipment items maintained by the District did not include the acquisition or purchase date for four equipment items and serial numbers for three items.

**Criteria:** Section I.H.2. of the General Terms and Conditions require that complete property records be maintained that include a description of the equipment, a serial number or other identification number, the source of the property, the acquisition date, cost of the property, percentage of federal or state participation in the cost of the property, and the location, use and condition of the property.

**Cause:** The District did not realize that the inventory listing was not complete with all necessary information.

**Effect:** The District cannot ensure the security interest in the assets is maintained when the purchase date is not recorded in the inventory listing. The District has not properly identified equipment items in case of disposition of the equipment items prior to expiration of the security interest.

**Recommendation:**

We recommend that the District ensure that the equipment item listing contains all necessary information in accordance with the General Terms and Conditions.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

---

*District Response:*

*The District concurs and the grant administrator was not aware of these specifics to the rule on equipment management until October 2007 when it was discussed at a MDNR training. This rule was implemented after that date. Staff has gathered the necessary data on the four inventory items noted in the audit and added the date of purchase to the inventory list. The District concurs and the grant administrator has identified serial numbers for the pieces of equipment and added that information to the inventory list.*

**5. Annual Statements of Use of Equipment Not Filed by Subgrantees**

**Condition:** Subgrantees have not annually submitted a statement certifying that the use of equipment is for project activities.

**Criteria:** The Special Terms and Conditions require subgrantees to annually submit a statement as provided by the district certifying that the use(s) of said equipment is for project activities.

**Cause:** The District did not request the statements from the subgrantees.

**Effect:** The District is not properly assured that the subgrantees are using the equipment for project activities.

**Recommendation:**

We recommend that the District require an annual statement from each subgrantee certifying that the use of the equipment bought with district grant funds is for project activities.

*District Response:*

*The District concurs and the grant administrator is in the process of getting signed certification statements from each of the subgrantees for equipment purchased with grant funds and in which the District still holds a financial interest.*

**6. Criteria for Evaluation of Grant Projects Not Inclusive of all Criteria Requirements**

**Condition:** The District's grant criteria for evaluating grant projects included a total of 28 criteria; however, the criteria did not include: 1) Degree to which funding to the project will adversely affect existing private entities in the market segment, and 2) The need for the information.

**Criteria:** 10 CSR 80-9.050(2)(C)3 requires that the executive board shall evaluate each proposal that is determined to be eligible and complete. The evaluation method will include the required criteria, as appropriate per project category.

**Cause:** The District had inadvertently deleted these respective criteria since the District no longer felt the need for these items.

**Effect:** The District Executive Board did not fully evaluate applicable grant proposals with all of the required criteria.



**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

---

**Recommendation:**

We recommend that the District use all of the required criteria for proper evaluation of all grant proposals.

***District Response:***

*The District concurs. The District has had an unwritten policy for many years that they will not consider a grant proposal for funding that, if funded, would provide an unfair business advantage. However, in order to comply, the District will correct the criteria sheets and add both of these items for the evaluation of grant projects for the next grant round.*

## **FOLLOW-UP ON PRIOR FINDINGS**

## OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K

### FOLLOW-UP ON PRIOR FINDINGS

---

A separate "Performance Review" by the Missouri Department of Natural Resources (MDNR) Solid Waste Management Program (SWMP) was conducted in February, March, and August 2005. The MDNR SWMP offered the following recommendations that were not considered findings.

#### 1. Document Site Visits Conducted by District Staff

The SWMP noted that site visits are an important component of oversight of grantees and recommended that the District staff document their visits to show the District is performing this task.

The District Planner indicated that the Ozark Rivers staff had developed a form to complete and add to the district grant file each time they made site visits. The current engagement noted that site visits have been documented in the grant files on projects reviewed.

#### 2. Evaluation of Results of Projects

The SWMP noted that the District had not prepared an evaluation of projects completed including evaluating the grant cost per ton of diverting solid waste from landfills. The SWMP recommended the District evaluate the results of projects and also document and evaluate how recipients of grants determine the amount of material diverted from landfills.

The District Planner noted that evaluation of subgrantee projects, including determining the cost per ton of diverted materials is part of the annual report submitted to the MDNR each year. This report was first required and submitted in 2006. The current engagement noted that the annual report documents the evaluation of the results of subgrantee projects.

#### 3. Establish Criteria for Repeat Grant Applications

The SWMP was concerned that some grant funds may be used to subsidize on-going operations instead of as a one-time incentive to expand recycling services in the state. The SWMP recommended that the District formalize the criteria that restrict the use of grant funds to a one-time incentive to expand recycling services.

The District Planner indicated that when receiving grant applications from an entity, the District looks for new programs developed by the entity or expansions of existing programs. The grant application includes a section where the applicant identifies whether or not the project is a new venture, an expansion or the continuation of an existing program. The grant profile sheet includes a section where grantees must list all previous grants awarded by the District to the applying entity. The current engagement noted that the criteria were written as noted in the grant application.

#### 4. Require Supporting Invoices

The SWMP noted that on one of the projects reviewed the subgrantee submitted for reimbursement an invoice that did not itemize expenses incurred or provide supporting invoices.

The District Planner indicated that all supporting documentation was requested and later received from the subgrantee. All invoices are required to have acceptable supporting documentation before the district will make reimbursement. The current engagement noted that itemized supporting invoices had been submitted for grant projects reviewed.



**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

---

5. Maintain an Inventory List of all Equipment Purchased with Grant Funds

The SWMP noted that the District did not maintain an inventory list of equipment purchased by grantees. The SWMP recommended that an inventory list be maintained at least for all equipment for which the District still has a security interest. The SWMP also recommended that the District affix a tag to the equipment that provided the District and Department logos to further show that the equipment was purchased with grant funds.

The District Planner indicated that the District maintains an inventory list of all equipment purchased with District funds that the District has a security interest in of \$5,000 or more. The District also provides stickers to subgrantees to affix to equipment that states that the equipment was purchased with grant funds from the District and the MDNR. There are two stickers; one states that the equipment was "funded in part", and the other states that it was "funded by." The current engagement noted that the equipment inventory list did not include the acquisition or purchase date for four equipment items and serial numbers on three items. See current finding number 4.

6. Retain 15% of the Funds from the Grant Recipient until the Project is Complete

The SWMP noted that the District did not always retain 15% of the funds until the project was complete and the recipient submits the final report. The SWMP recommended the District retain 15% of the funds from the grant recipient until the project is complete and the recipient submits the final report.

The District Planner indicated the District has complied with this recommendation by no longer paying out the final 15% retention on grants until the District has received its final report. The only exception, which requires board action, is if the project is a one-time collection, such as HHW or special wastes, where no further diversion will be made. In such a case, the final report must still be submitted for the project before the final reimbursement is made. The current engagement noted that the District retained the 15% from the grant recipient until the project was complete and the final report submitted on projects reviewed.

**The Ozark Rivers Solid Waste Management District previously had an agreed-upon procedures review for fiscal years 1992-1997, which was contracted to an independent CPA firm by the MDNR. That report had the following findings with the current status for each finding noted. Five of the six prior findings were considered implemented by the District but one was not considered fully implemented with a similar condition noted in the current report.**

Finding 1: Interest Income not Reported

Interest income on grant funds held in the District's checking account totaling \$5,841 for FY1992-FY1995 was not reported to the MDNR or deducted from outlays.

Status:

The District was not required to take any actions according to the SWMP. The SWMP has made changes to the Special Terms and Conditions to allow districts to use income generated from interest earned on district grant agreement funds. The current engagement noted that interest income is reported on the quarterly financial summary reports but has not been obligated to projects on a timely basis.



## **OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

---

### Finding 2: Procurement Procedures

The District did not require documentation of subgrantee procurements.

#### Status:

The District developed and submitted a district grant policy manual that addresses the procurement procedures issue. No similar condition was noted during the current engagement.

### Finding 3: Physical Inventory of Equipment – Restricted to Subgrantees Only

The District did not conduct a physical inventory of the equipment purchased by subgrantees as required by MDNR General Terms and Conditions.

#### Status:

The District addressed equipment management procedures to safeguard assets purchased with grant funds in the district grants policy manual. The policy also identified procedures for proper equipment disposal. The District indicated in the policy manual that it would conduct an annual inventory of all equipment purchased with district grant funds. The District also provided a list of equipment purchased with district grant funds. The current engagement noted that physical inventories of equipment are performed and a listing of equipment maintained.

### Finding 4: District Grant Evaluations

The fiscal year 1994 district grant evaluations could not be located by the District.

#### Status:

The District located and submitted the fiscal year 1994 district grant evaluations. The District also submitted procedures to the SWMP for evaluating, ranking, and making funding decisions on grant applications. No similar condition was noted during the current engagement.

### Finding 5: No Tax-Exempt Letter

One instance was noted during a test of cash disbursements where the District paid sales tax on items purchased for District purposes.

#### Status:

The District submitted a copy of a tax-exempt letter with an effective date of August 1, 1996. The District also submitted documentation showing the sales tax paid had been returned to the district account. No similar condition was noted during the current engagement.

### Finding 6: District Grant In-Kind Match

Of eleven district grants sampled, four cases were noted where the subgrantee's match contributions were not properly documented.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

---

Status:

The District submitted written procedures to the SWMP to ensure adequate documentation for in-kind match prior to advancing any grant funds. The District also indicated that it was working on obtaining adequate documentation for match amounts for each of the four subgrants. No similar condition was noted during the current engagement.

**The District's financial audits for the years ended June 30, 2007 and June 30, 2006 noted the following finding only for the year ended June 30, 2007.**

Finding: Corporate Minutes Missing Signatures

Minutes for all Board meetings were prepared and available for examination; however, minutes were missing signatures. Minutes should be signed by the Board President and Board Secretary to serve as an authentication of them.

Status:

The District obtained the signature of the Board Chairman and the Board Secretary on the board meeting minutes. The current engagement includes a finding that the District did not properly retain the official signed board meeting minutes for two Executive Board meetings and two District Council meetings. See current finding number 1.

## APPENDICES



**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT  
REGION K  
HISTORY AND ORGANIZATION**

---

**Function of the District**

Missouri's 20 solid waste management districts were created to foster regional cooperation among cities and counties in addressing solid waste management issues. The main function of a district is to develop a solid waste management plan with an emphasis on diverting waste from landfills and to assist with implementation of the solid waste management plan. Plans should include provisions for a range of solid waste activities: waste reduction programs; opportunities for material reuse; recycling collection and processing services; compost facilities and other yard waste collection options; education in schools and for the general public; management alternatives for items banned from Missouri landfills and household hazardous waste; and prevention or remediation of illegal dumps. To help achieve their goals, districts administer grants to public and private entities in their region, made possible with monies from the Solid Waste Management Fund through the Missouri Department of Natural Resources.

**Organizational Structure of the District**

The Ozark Rivers Solid Waste Management District – Region K was officially recognized on November 19, 1991 by the Missouri Department of Natural Resources, and presently consists of seven counties and nineteen cities within these counties that have a population of 500 or more. The counties and the cities with a population of 500 or more that comprise the District are as follows:

<u>Counties</u>	<u>Cities</u>		
Crawford	Belle	Hermann	St. Robert
Dent	Bland	Owensville	Steelville
Gasconade	Bourbon	Potosi	Sullivan
Maries	Crocker	Richland	Vienna
Phelps	Cuba	Rolla	Waynesville
Pulaski	Dixon	Salem	
Washington	Doolittle	St. James	

The District elected the "Alternative Management Structure" in October 1991 to be in compliance with RSMo Section 260.315. Participation in the District is voluntary and is formally established through a resolution of adoption filed with the District office by the member governments. The District is managed by an Executive Board consisting of two members from each of the seven counties and one member from Fort Leonard Wood for a total of 15 members. The District's by-laws indicate that the Full Council for the District shall consist of two members from each of the seven counties (14) plus one member from each city (19) or a total of 33 members.

The District Council members along with the Executive Board members as of June 30, 2007 are as follows:

<u>Crawford County</u>	Ed Worley
	Arthur Cook (1)
City of Bourbon	Leonard Armstrong
City of Cuba	Les Murdock
City of Steelville	Terry Palmer
City of Sullivan	Jim Schatz (1)



**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT – REGION K  
HISTORY AND ORGANIZATION (CONTINUED)**

---

<u>Dent County</u>	Darrell Skiles (1)
City of Salem	Dr. J.J. Tune Bill Huffman (1)
<u>Gasconade County</u>	Ron Jost Max Aubuchon (1) Bruce Sassman Ben Cole (1) Jesse Loeb
<u>Maries County</u>	Ray Schwartz (1) Bill Field Richard Huse (1) Leslie Darr Jr.
<u>Phelps County</u>	Randy Verkamp (1) Larry Stratman Paul Smith Brady Wilson (1) Dennis Wilson
<u>Pulaski County</u>	Dan Slais Bill Ransdall (1) James H. Morgan Darrell French Theresa Cook (1) Cliff Hammock Bob Wall
<u>Washington County</u>	Bob Reed Todd Moyers (1) Gary Gilliam (1)
Fort Leonard Wood	Scott Murrell (1)

Note: (1) Executive Board member

Full Council members serve a term of two years until reappointment or replacement. Executive Board members serve a term of two years with expired terms to be filled in July of each year.

The District has an annual written administrative contract with the Meramec Regional Planning Commission (MRPC) in St. James. The District Planner is an employee of the MRPC. Seven of the fifteen Executive Board members of Region K SWMD also serve on the Executive Board of the MRPC.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT - REGION K  
SCHEDULE OF STATE FUNDING  
YEAR ENDED JUNE 30, 2007

Awarded by State	Total	Grant No.	Amount	Purpose
December 2006	\$ 212,315	2007-01	\$ 73,937	Region K District Operations
		2007-05	10,202	Region K Education Enhancement Project
		2007-06	14,906	Region K Special Waste Collections
		2007-07	10,000	Region K County Illegal Dump and Tire Collections
		2007-08	19,055	Region K HHW Collections
		2007-09	19,475	Phelps County Tough on Trash II
		2007-10	8,595	Maries County Clean Roads and Waterways
		2007-11	8,000	Region K School Lab Clean Up Program
		2007-12	21,700	Region K Illegal Dump Clean Up Program
		2007-13	9,210	City of Cuba Recycling Center Construction
		2007-14	9,480	Rolla High School Talkin' Trash IV Recycling Program
		2007-16	7,755	Resources Recovery Services (Sheltered Workshop) Baler Purchase
Total	\$ <u>212,315</u>		\$ <u>212,315</u>	

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT - REGION K  
SCHEDULE OF STATE FUNDING  
YEAR ENDED JUNE 30, 2006

Awarded by State	Total	Grant No.	Amount	Purpose
August 2005	\$ 89,942	2005-088	\$ 6,740	Region K Grant Administration
		2005-089	5,000	Bourbon Recycle Continuation
		2005-090	5,000	Hermann Area Regional Recycling Facility
		2005-091	13,265	Ozark Rivers Household Hazardous Waste Collection
		2005-092	4,390	Special Collection for White Goods and Waste Tires
		2005-093	8,697	Ozark Rivers Implementation Programs
		2005-094	8,120	Region K Tire Collection
		2005-095	11,200	Addressing Illegal Dumping from a Watershed Approach
		2005-096	3,500	Ozark Rivers Electronic Waste Collection
		2005-097	5,000	UMR Landscaping Services Composting Facility
		2005-098	5,000	Maries County Clean Roads and Waterways Program
		2005-099	5,000	City of Sullivan Compost Operation
		2005-100	5,000	Multi-material Recycling
		2005-101	4,030	Rolla Middle School Recycling Program
January 2006	\$ 159,999	2006-01	\$ 13,555	Crawford County Board for People with Developmental Disabilities/Resource Recovery Workshop Baler Purchase
		2006-02	7,975	Maries County Clean Road and Waterways Program
		2006-03	16,683	City of St. Robert Recycle Center Equipment Upgrade
		2006-04	25,973	Phelps County Tough on Trash Initiative
		2006-05	1,500	Brewer Science, Inc. Community Event Recycling Bin Purchase
		2006-07	5,500	Rolla High School Talking Trash III Recycling Program
		2006-08	11,200	Region K Addressing Illegal Dumping from a Watershed Approach
		2006-09	5,300	Region K Electronic Waste Collection
		2006-10	17,344	Region K Illegal Dump Surveillance Camera Program
		2006-12	7,049	Region K Waste Tire Collection
		2006-14	47,920	Region K District Operations
February 2006	\$ 3,121	2006-15	\$ 3,121	District K Operation/Administration Supplement
Total	\$ <u>253,062</u>		\$ <u>253,062</u>	



OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT - REGION K  
COMPOSITION OF CASH BALANCE  
JUNE 30, 2007

Project Grant Number	Project Name	Project Award Amount	Carryover Funds	Total Allocation	Expenditures	Allocated Accounts Payable	Carryover Grants Unobligated	June 30, 2007 Grants Cash Balance
2004-157	Washington County - Rid County of Solid Waste and Educate Citizens	\$ 10,000	\$ -	\$ 10,000	\$ 8,296	\$ -	\$ (1,704)	\$ -
2005-089	Bourbon Recycle Continuation	5,000	A 833	5,833	-	-	(5,833)	-
2005-090	Hermann Area Regional Recycling Facility	5,000	A 834	5,834	5,789	-	(45)	-
2005-091	Ozark Rivers Household Hazardous Waste Collection	13,265	-	13,265	8,635	-	(4,630)	-
2005-093	Ozark Rivers Implementation Programs	8,697	-	8,697	8,619	-	(78)	-
2005-096	Ozark Rivers Electronic Waste Collection	3,500	-	3,500	3,028	-	(472)	-
2005-098	Maries County Clean Roads and Waterways Program	5,000	A 833	5,833	5,026	-	(807)	-
2005-099	City of Sullivan Compost Operation	5,000	A 833	5,833	-	-	(5,833)	-
2005-101	Rolla Middle School Recycling Program	4,030	-	4,030	3,974	-	(56)	-
2006-02	Maries County Clean Roads and Waterways Program	7,975	-	7,975	5,276	-	(2,699)	-
2006-04	Phelps County Tough on Trash Initiative	25,973	-	25,973	14,245	-	(11,728)	-
2006-05	Brewer Science, Inc. Community Event Recycling Bin Purchase	1,500	-	1,500	900	-	(600)	-
2006-07	Rolla High School Talking Trash III Recycling Program	5,500	-	5,500	2,915	-	(2,585)	-
2006-08	Region K Addressing Illegal Dumping from a Watershed Approach	11,200	-	11,200	5,815	(113)	-	5,498 O
2006-09	Region K Electronic Waste Collection	5,300	-	5,300	2,904	-	(2,396)	-
2006-10	Region K Illegal Dump Surveillance Camera Program	17,344	-	17,344	9,740	(406)	-	8,010 O
2006-12	Region K Waste Tire Collection	7,049	B 1,071	8,120	8,120	-	-	-
2007-01	Region K District Operations	73,937	-	73,937	73,937	(11,091)	-	11,091 O
2007-05	Region K Education Enhancement Project	10,202	-	10,202	589	(54)	-	9,667 O
2007-06	Region K Special Waste Collections	14,906	-	14,906	731	(297)	-	14,472 O
2007-07	Region K County Illegal Dump and Tire Collections	10,000	-	10,000	3,799	-	-	6,201 O
2007-08	Region K HHW Collections	19,055	-	19,055	1,499	(528)	-	18,084 O
2007-09	Phelps County Tough on Trash II	19,475	-	19,475	5,044	-	-	14,431 O
2007-10	Maries County Clean Roads and Waterways	8,595	-	8,595	-	-	-	8,595 O
2007-11	Region K School Lab Clean Up Program	8,000	-	8,000	6,800	(6,800)	-	8,000 O
2007-12	Region K Illegal Dump Clean Up Program	21,700	-	21,700	430	(430)	-	21,700 O
2007-13	City of Cuba Recycling Center Construction	9,210	-	9,210	-	-	-	9,210 O
2007-14	Rolla High School Talkin' Trash IV Recycling Program	9,480	-	9,480	-	-	-	9,480 O
2007-16	Resources Recovery Services (Sheltered Workshop) Baler Purchase	7,755	-	7,755	6,592	-	-	1,163 O
Totals		\$ 353,648	\$ 4,404	\$ 358,052	\$ 192,703	\$ (19,719)	\$ (39,466)	\$ 145,602

O = Obligated  
U = Unobligated

A = carryover from project 2004160

B = \$159 carryover from project 2003181 and carryover of \$912 from project 2004167

1 = Monies held in separate Operating Account not designated to any specific project.

Unobligated interest income 10,806 U  
Carryover unobligated 39,466 U  
Remaining operations monies 1 6,458 U

Adjusted cash balance \$ 202,332

Reconciled bank balances \$ 202,332

Excess funds held in bank \$ -